

ADMINISTRATIVE - INTERNAL USE ONLY

This Notice Expires 1 June 1979

PERSONNEL

22 May 1978

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## FOREIGN GIFTS AND DECORATIONS

References:

1. Public Law 95-105 substantially changes the law governing receipt and disposition of foreign gifts, decorations, and awards. This statute also sets forth restrictions governing the giving of gifts to foreign individuals.

2. The following is a summary of the major provisions of the statute governing receipt and disposition of foreign gifts, decorations, and awards, which became effective 1 January 1978. These provisions:

a. Reaffirm the obligation of an employee to refuse to accept foreign gifts whenever possible.

b. Provide for the bringing of a civil action by the Department of Justice against any employee who solicits a gift or who fails to report the receipt of a gift, and authorize the Federal District Court where the action is brought to assess a penalty not to exceed \$5,000 plus the retail value of the gift for such noncompliance with the law.

c. Redefine minimal value as retail value in the United States of \$100 or less at the time of acceptance (previously \$50), with this definition to be adjusted at three-year intervals by GSA regulation to reflect changes in the Consumer Price Index.

d. Require a description of all gifts of more than minimal value to be published annually in the Federal Register.

e. Grant departments and agencies the authority to approve retention of decorations and awards.

f. Grant departments and agencies the authority to retain for official use gifts of more than minimal value.

g. Leave unimpaired the authority of departments and agencies to prescribe more stringent limitations on receipt of gifts and decorations.

3. All employees must be familiar with their responsibilities under this law. Employees, as well as their spouses and dependents, must refuse gifts of more than minimal value from any unit of foreign governmental

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authority, or from any representative of foreign governmental authority acting as such, unless a refusal would cause offense or embarrassment or otherwise adversely affect the foreign relations of the United States. All foreign gifts which are accepted must be reported through channels to the Director of Personnel within 30 days of receipt. The report must contain the following information:

- a. The name and position of the employee.
- b. A brief description of the gift and the circumstances justifying acceptance.
- c. The identity of the foreign government and the name and position of the individual who presented the gift.
- d. The date of acceptance.
- e. The estimated value in the United States of the gift at the time of acceptance.
- f. Disposition or current location of the gift.

When a gift is of more than minimal value, this information must be forwarded by the Agency in an annual report to the Secretary of State, who will publish a comprehensive listing of all such gifts in the Federal Register. Though the Agency may be excepted from reporting the information contained in paragraphs 3a and 3c, the general reporting requirements of this law make it imperative that Agency employees accept no gifts which, when disclosed in public record, would cause breaches of security or cover.

4. Employees must receive the approval of the Director of Personnel to retain a gift which is of minimal value. Employees accepting gifts in excess of minimal value do so on behalf of the United States and such gifts become the property of the United States. While the new law permits the Agency to retain for official use a gift in excess of minimal value, all such gifts must be forwarded to the Administrator of General Services for appropriate disposition whenever official use is terminated.

5. The Director of Personnel may approve retention of foreign decorations tendered in recognition of active field service in time of combat operations or awarded for other outstanding or unusually meritorious performance. All foreign decorations must be reported through channels to the Director of Personnel. The report must include the name and position of the employee, a complete description of the decoration (including any accompanying citation), the identity of the foreign government, the name and position of the individual who presented it, and a description of the service on which presentation of the decoration was based. Decorations

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not approved by the Director of Personnel for retention are deemed property of the United States and will be deposited by the employee, within 60 days of acceptance, with the Agency for official use or for the Agency to forward to the Administrator of General Services for appropriate disposition.

6. Finally, it should be noted that departments and agencies are prohibited as of 1 October 1977 from using appropriated funds to purchase a gift of more than minimal value for any foreign individual unless the gift has been approved by Congress or has been purchased with certain designated emergency funds from the Department of State.

7. Questions specifically concerning the new law should be directed to the Office of General Counsel. Questions concerning Agency policy on foreign gifts and decorations should be directed to the Benefits and Services Division, Office of Personnel, on extension [redacted]

8. This notice supersedes those sections of [redacted] which deal with foreign gifts and decorations. [redacted] will be revised accordingly.

JOHN F. BLAKE  
Deputy Director  
for  
Administration

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## LAWS OF 95th CONG.—1st SESS.

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## UNITED NATIONS SPECIAL SESSION ON DISARMAMENT

Report,  
transmittal to  
congressional  
committees.

SEC. 513. Noting the decision of the United Nations General Assembly to convene a special session on disarmament in the spring of 1978 and recognizing the important role that comprehensive disarmament could play in securing world peace and economic development, the Congress requests that, at an appropriate date, the Secretary of State report to the appropriate committees of the Congress on the procedures which the executive branch is following in preparing for the special session on disarmament and on United States objectives for that special session.

## INTERNATIONAL BOUNDARY AND WATER COMMISSION

Appropriation  
authorization.

SEC. 514. (a) Section 2(2) of the Act entitled "An Act to authorize conclusion of an agreement with Mexico for joint measures for solution of the Lower Rio Grande salinity problem", approved September 19, 1966 (22 U.S.C. 277d-31), is amended by inserting immediately after "\$25,000" the following: "based on estimated calendar year 1976 costs, plus or minus such amounts as may be justified by reason of ordinary fluctuations in operation and maintenance costs involved therein,".

(b) Section 3 of the Act entitled "An Act to authorize the conclusion of agreements with Mexico for joint construction, operation, and maintenance of emergency flood control works on the lower Colorado River, in accordance with the provisions of article 13 of the 1944 Water Treaty with Mexico, and for other purposes", approved August 10, 1964 (22 U.S.C. 277d-28), is amended by inserting immediately after "\$30,000" the following: "based on December 1975 prices, plus or minus such amounts as may be justified by reason of ordinary fluctuations in operation and maintenance costs involved therein,".

(c) Section 103 of the American-Mexican Treaty Act of 1950 (22 U.S.C. 277d-3) is amended by striking out "\$100 per diem" in the second sentence and inserting in lieu thereof "the maximum daily rate for grade GS-15 of the General Schedule".

(d) The amendments made by this section shall take effect on October 1, 1977.

Effective date.  
22 USC 277d-3  
note.

## FOREIGN GIFTS AND DECORATIONS

SEC. 515. (a) (1) Section 7342 of title 5, United States Code, is amended to read as follows:

**"§ 7342. Receipt and disposition of foreign gifts and decorations**

Definitions.

"(a) For the purpose of this section—

"(1) 'employee' means—

"(A) an employee as defined by section 2105 of this title and an officer or employee of the United States Postal Service or of the Postal Rate Commission;

"(B) an expert or consultant who is under contract under section 3109 of this title with the United States or any agency, department, or establishment thereof, including, in the case of an organization performing services under such section, any individual involved in the performance of such services;

"(C) an individual employed by, or occupying an office or position in, the government of a territory or possession of the United States or the government of the District of Columbia;

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"(D) a member of a uniformed service;  
 "(E) the President and the Vice President;  
 "(F) a Member of Congress as defined by section 2106 of this title (except the Vice President) and any Delegate to the Congress; and 5 USC 2106.

"(G) the spouse of an individual described in subparagraphs (A) through (F) (unless such individual and his or her spouse are separated) or a dependent (within the meaning of section 152 of the Internal Revenue Code of 1954) of such an individual, other than a spouse or dependent who is an employee under subparagraphs (A) through (F); 26 USC 152.

"(2) 'foreign government' means—  
 "(A) any unit of foreign governmental authority, including any foreign national, State, local, and municipal government;

"(B) any international or multinational organization whose membership is composed of any unit of foreign government described in subparagraph (A); and

"(C) any agent or representative of any such unit or such organization, while acting as such;

"(3) 'gift' means a tangible or intangible present (other than a decoration) tendered by, or received from, a foreign government;

"(4) 'decoration' means an order, device, medal, badge, insignia, emblem, or award tendered by, or received from, a foreign government;

"(5) 'minimal value' means a retail value in the United States at the time of acceptance of \$100 or less, except that—

"(A) on January 1, 1981, and at 3 year intervals thereafter, 'minimal value' shall be redefined in regulations prescribed by the Administrator of General Services, in consultation with the Secretary of State, to reflect changes in the consumer price index for the immediately preceding 3-year period; and

"(B) regulations of an employing agency may define 'minimal value' for its employees to be less than the value established under this paragraph; and

"(6) 'employing agency' means—  
 "(A) the Committee on Standards of Official Conduct of the House of Representatives, for Members and employees of the House of Representatives, except that those responsibilities specified in subsections (c) (2) (A), (e), and (g) (2) (B) shall be carried out by the Clerk of the House;

"(B) the Select Committee on Ethics of the Senate, for Senators and employees of the Senate;

"(C) the Administrative Office of the United States Courts, for judges and judicial branch employees; and

"(D) the department, agency, office, or other entity in which an employee is employed, for other legislative branch employees and for all executive branch employees.

"(b) An employee may not—

"(1) request or otherwise encourage the tender of a gift or decoration; or

"(2) accept a gift or decoration, other than in accordance with the provisions of subsections (c) and (d).

"Minimal value,"  
 triennial  
 redefinition.

Prohibited  
 conduct.

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Gifts, acceptance.

“(c) (1) The Congress consents to—

“(A) the accepting and retaining by an employee of a gift of minimal value tendered and received as a souvenir or mark of courtesy; and

“(B) the accepting by an employee of a gift of more than minimal value when such gift is in the nature of an educational scholarship or medical treatment or when it appears that to refuse the gift would likely cause offense or embarrassment or otherwise adversely affect the foreign relations of the United States, except that—

Designation as U.S. property.

“(i) a tangible gift of more than minimal value is deemed to have been accepted on behalf of the United States and, upon acceptance, shall become the property of the United States; and

“(ii) an employee may accept gifts of travel or expenses for travel taking place entirely outside the United States (such as transportation, food, and lodging) of more than minimal value if such acceptance is appropriate, consistent with the interests of the United States, and permitted by the employing agency and any regulations which may be prescribed by the employing agency.

Gifts, deposition.

“(2) Within 60 days after accepting a tangible gift of more than minimal value (other than a gift described in paragraph (1) (B) (ii)), an employee shall—

“(A) deposit the gift for disposal with his or her employing agency; or

“(B) subject to the approval of the employing agency, deposit the gift with that agency for official use.

Within 30 days after terminating the official use of a gift under subparagraph (B), the employing agency shall forward the gift to the Administrator of General Services in accordance with subsection (e).

Employee statement, filing.

“(3) When an employee deposits a gift of more than minimal value for disposal or for official use pursuant to paragraph (2), or within 30 days after accepting travel or travel expenses as provided in paragraph (1) (B) (ii) unless such travel or travel expenses are accepted in accordance with specific instructions of his or her employing agency, the employee shall file a statement with his or her employing agency or its delegate containing the information prescribed in subsection (f) for that gift.

Decorations, acceptance and deposition.

“(d) The Congress consents to the accepting, retaining, and wearing by an employee of a decoration tendered in recognition of active field service in time of combat operations or awarded for other outstanding or unusually meritorious performance, subject to the approval of the employing agency of such employee. Without this approval, the decoration is deemed to have been accepted on behalf of the United States, shall become the property of the United States, and shall be deposited by the employee, within sixty days of acceptance, with the employing agency for official use or forwarding to the Administrator of General Services for disposal in accordance with subsection (e).

Gifts and decorations, disposal.

“(e) Gifts and decorations that have been deposited with an employing agency for disposal shall be (1) returned to the donor, or (2) forwarded to the Administrator of General Services for transfer,

donation, or of Federal Property no gift or decoration without the approval that the sale will be in the interest of the United States. Gifts and

“(f) (1). No agency or its employee during the period to subsection of State who comments in the Federal Register

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donation, or other disposal in accordance with the provisions of the Federal Property and Administrative Services Act of 1949. However, no gift or decoration that has been deposited for disposal may be sold without the approval of the Secretary of State, upon a determination that the sale will not adversely affect the foreign relations of the United States. Gifts and decorations may be sold by negotiated sale.

40 USC 471 note.

"(f) (1). Not later than January 31 of each year, each employing agency or its delegate shall compile a listing of all statements filed during the preceding year by the employees of that agency pursuant to subsection (c) (3) and shall transmit such listing to the Secretary of State who shall publish a comprehensive listing of all such statements in the Federal Register.

List, transmittal to Secretary of State. Publication in Federal Register.

"(2) Such listings shall include for each tangible gift reported—

Contents.

"(A) the name and position of the employee;

"(B) a brief description of the gift and the circumstances justifying acceptance;

"(C) the identity, if known, of the foreign government and the name and position of the individual who presented the gift;

"(D) the date of acceptance of the gift;

"(E) the estimated value in the United States of the gift at the time of acceptance; and

"(F) disposition or current location of the gift.

"(3) Such listings shall include for each gift of travel or travel expenses—

"(A) the name and position of the employee;

"(B) a brief description of the gift and the circumstances justifying acceptance; and

"(C) the identity, if known, of the foreign government and the name and position of the individual who presented the gift.

"(4) In transmitting such listings for the Central Intelligence Agency, the Director of Central Intelligence may delete the information described in subparagraphs (A) and (C) of paragraphs (2) and (3) if the Director certifies in writing to the Secretary of State that the publication of such information could adversely affect United States intelligence sources.

CIA list, deletions.

"(g) (1) Each employing agency shall prescribe such regulations as may be necessary to carry out the purpose of this section. For all employing agencies in the executive branch, such regulations shall be prescribed pursuant to guidance provided by the Secretary of State. These regulations shall be implemented by each employing agency for its employees.

Regulations.

"(2) Each employing agency shall—

"(A) report to the Attorney General cases in which there is reason to believe that an employee has violated this section;

"(B) establish a procedure for obtaining an appraisal, when necessary, of the value of gifts; and

"(C) take any other actions necessary to carry out the purpose of this section.

"(h) The Attorney General may bring a civil action in any district court of the United States against any employee who knowingly solicits or accepts a gift from a foreign government not consented to by this section or who fails to deposit or report such gift as required by this section. The court in which such action is brought may assess a penalty against such employee in any amount not to exceed the retail value of the gift improperly solicited or received plus \$5,000.

Civil actions. Jurisdiction.

Penalty.



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"(i) The President shall direct all Chiefs of a United States Diplomatic Mission to inform their host governments that it is a general policy of the United States Government to prohibit United States Government employees from receiving gifts or decorations of more than minimal value.

"(j) Nothing in this section shall be construed to derogate any regulation prescribed by any employing agency which provides for more stringent limitations on the receipt of gifts and decorations by its employees.

"(k) The provisions of this section do not apply to grants and other forms of assistance to which section 108A of the Mutual Educational and Cultural Exchange Act of 1961 applies."

22 USC 2458.  
Effective date.  
5 USC 7342 note.  
Gifts, purchase  
limitation.  
22 USC 2694.

(2) The amendment made by paragraph (1) of this subsection shall take effect on January 1, 1978.

(b) (1) After September 30, 1977, no appropriated funds, other than funds from the "Emergencies in the Diplomatic and Consular Service" account of the Department of State, may be used to purchase any tangible gift of more than minimal value (as defined in section 7342(a) (5) of title 5, United States Code) for any foreign individual unless such gift has been approved by the Congress.

Report,  
transmittal to  
Speaker of the  
House and Senate  
committee.

(2) Beginning October 1, 1977, the Secretary of State shall annually transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report containing details on (1) any gifts of more than minimal value purchased with appropriated funds which were given to a foreign individual during the previous fiscal year, and (2) any other gifts of more than minimal value given by the United States Government to a foreign individual which were not obtained using appropriated funds.

Approved August 17, 1977.

## LEGISLATIVE HISTORY:

HOUSE REPORTS No. 95-231 (Comm. on International Relations) and No. 95-537 (Comm. of Conference).

SENATE REPORT No. 95-194 (Comm. on Foreign Relations).  
CONGRESSIONAL RECORD, Vol. 123 (1977):

May 4, considered and passed House.

June 16, considered and passed Senate, amended.

July 28, Senate agreed to conference report.

Aug. 3, House agreed to conference report.

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